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PROPOSED AMENDMENTS TO THE BYLAWS

The following proposed amendments to the Bylaws will be considered and voted on at the LaValle Telephone Cooperative annual member meeting on Thursday, March 23, 2023. The intent of the proposed amendments is to update the Bylaws to comply with Wisconsin cooperative statutes, and to otherwise conform with industry standards for cooperative operations.

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If you have questions regarding the amendments, please contact General Manager, John Bartz, prior to the Annual Meeting.

Article I MEMBERSHIP

Section 1.1 Eligibility

Any person, firm, association, corporation or body politic or subdivision thereof will become a member of LaValle Telephone Cooperative (hereinafter called the "Cooperative") upon receipt of telecommunications and information services (hereinafter referred to simply as "services") from the Cooperative at a premise within the Cooperative's established service area (commonly referred to as "exchanges"), as such exchange/service area boundaries are determined by the Board and/or the Public Service Commission of Wisconsin, as the case may be, from time to time (the "Service Area"). Membership is automatic and instantaneous upon receipt of service; however, each member shall:

- (1) Make a written application for membership for the Cooperative's records;
- (2) Agree to purchase services from the Cooperative in accordance with ~~established tariffs, as well as pay other charges for services that the member uses and the Cooperative is obligated by law or contract to collect~~ the rates, terms and conditions specified by the Cooperative;

Section 1.2 Definition and Classifications

(A) Membership in the Cooperative is affected by:

- (1) Procuring ~~the Cooperative's central office dial tone~~ retail telecommunications services from the Cooperative within the Service Area, or
- (2) Providing a continuing periodic telecommunications revenue stream for the Cooperative. The Board will determine under rules of general application the types and amounts of revenue streams or the types and amounts of patronage that give rise to the privileges and obligations of membership.

Section 1.3 ~~Membership Types~~ Non-Member Patrons

~~There will be two (2) types of memberships, Class A, In Service Area, and Class B, Outside Service Area.~~

~~Class A memberships will be assigned to all members who reside within the service area and receive services within the Cooperative areas. They will have full voting privileges.~~

~~Class B memberships will be assigned to all members~~ Any customers or patrons of the Cooperative who apply for and receive any type of service from the Cooperative outside of the Cooperative service areas Service Area, and who are not eligible for Class A memberships, in the Cooperative under the requirements of Section 1.1, shall be considered non-member patrons. They Such non-member patrons will have no voting privileges.

Article III MEETINGS OF MEMBERS

Section 3.1 Annual Meeting

- (1) The annual meeting of the members shall be held at a date and place within the Cooperative service area as selected by the Board and which shall be designated in Notice of the Meeting for the purpose of electing Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative nor affect the validity of any corporate action.
- (2) To the extent authorized by the Board and permitted by law, however, and subject to guidelines and procedures adopted by the Board, an annual or special meeting may be held without a geographic location if the meeting is held through the internet or other remote communications technology so long as all of the following apply: (1) the Cooperative implements reasonable measures to verify that each person participating in the meeting is a member; and (2) the Cooperative implements reasonable measures to provide members a reasonable opportunity to participate in the meeting, read or hear the proceedings substantially current with their occurrence, and vote on matters submitted to the members.



Section 3.2 Special Meetings

Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three (3) Board members, by the president or by not less than two hundred (200) members or by ten percent (10%) of all the members, whichever shall be the lesser, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the area served by the Cooperative as designated by the Board, or held by means of remote participation as provided in Section 3.1(2) above, and shall be specified in the notice of the Special Meeting.

Section 3.3 Notice of Members' Meetings

- (1) Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than fifteen (15) days nor more than thirty (30) days before the date of the meeting, either personally ~~or~~, by mail or by electronic transmission, by or at the direction of the secretary, or upon a default in duty by the secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the member at the address appearing on the records of the Cooperative, with postage thereon pre-paid. An electronically transmitted notice of a member meeting is deemed delivered when electronically sent to a member at the member's electronic mail address shown in the Cooperative records. The incidental or unintended failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.
- (2) If the Board authorizes remote or electronic meeting attendance, then the notice of such member's meeting must include a description of the means of remote or electronic communication to be used.

Section 3.5 Quorum

Business may not be transacted at any meeting of the members unless there are present in person, including via remote or electronic means as permitted by the Cooperative, at least five percent (5%) of the voting members, plus five (5) members, EXCEPT that in no case shall more than fifty (50) voting members be required for a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting to another time and date: provided that, the secretary shall notify any absent members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.3. At all meetings of the members, whether a quorum be present or not, the secretary shall affix to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present in person.

Section 3.6 Voting

Each ~~Class A~~ member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the Articles of Incorporation, or these Bylaws.

Section 3.7 Mail Ballots; Electronic Voting

Each member authorized to vote as provided in these Bylaws may also vote by mail ballot or electronic means, including, but not limited to, voting on the election or removal of Board members, subject to applicable law, these Bylaws and any procedures adopted by the Board. To the extent mail ballots or electronic voting methods are authorized by the Board, a vote cast by mail ballot or electronic means shall have the same effect as a vote cast by a member present at a meeting and shall count toward the member quorum required to vote on the matter. A mail or electronic ballot must: (i) set forth and describe a proposed action, identify a candidate, and/or include the language of a motion, resolution, bylaw amendment, or other written statement, upon which a member is asked to vote or act; (ii) state the date of a member meeting at which members are scheduled to vote or act on the matter; (iii) provide an opportunity to vote for or against or to abstain from voting on the matter; (iv) instruct the member how to complete, return or cast a mail or electronic ballot; and (v) state the time and date by which the Cooperative must receive the completed mail or electronic ballot. A mail or electronic ballot may not be procured or cast through fraud or other improper means. As determined by the Cooperative, a mail or electronic ballot procured or cast through fraud or other improper means is invalid.

~~Section 3.7~~ Section 3.8 Ballot Clerks

A minimum of three (3) ballot clerks will be appointed by the president prior to the Annual Meeting. It shall be the responsibility of the clerks to establish or approve the manner of conducting any ballot or other voting, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any irregularity in voting or marking of any ballot, and to sign a ballot certification form certifying the results of each election.

~~Section 3.8~~ Section 3.9 Order of Business

The order of business at the Annual Meeting of the members and, so far as possible at all other meetings of the members, shall be conducted under policies established by the Board and under an agenda essentially as follows, except as otherwise determined by the members at such meeting:

Article IV BOARD MEMBERS

Section 4.2 Number of Directors; Election Process and Tenure of Office

- (1) The Board of Directors shall be composed of no less than five (5) nor more than seven (7) directors.
- (4)(2) Directors shall be elected by a secret ballot at each annual meeting, including mail or electronic ballots, subject to applicable law, these Bylaws and any procedures adopted by the Board, when there is competition for the Board seat(s) to be filled. They shall be elected by and from the members to serve a three (3) year term, or until their successors shall have been elected and shall have qualified. The terms of the directors shall be staggered to ensure continuity. If an election of directors shall not be held on the day designated herein for the annual meeting or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing directors at a reasonable time thereafter. Directors shall be nominated and elected as provided hereinafter.



~~(2)~~(3) There shall be at least one (1) director for each territorial district. ~~The territory served by within~~ the Cooperative Service Area. The Cooperative Service Area shall be divided into a number of territorial districts by the Board of Directors and may be changed from time to time by the Board of Directors. Territorial districts may include more than one (1) director representative on the Board, and/or at-large representation, if deemed equitable by the Board of Directors considering the area served, population served and/or Cooperative membership served.

Section 4.3 Qualifications to be Nominated, to Become or Remain a Director

Any ~~Class A~~ member shall be eligible to be nominated, elected and remain a director of the Cooperative who:

- (1) Has service in the area the director will represent and resides in the exchange area, and has lived there for at least two hundred and forty (240) days during the last twelve (12) months.
- (2) Is **NOT** an employee or former employee of the Cooperative (as it relates to former employees, this provision shall only be applicable for a period of 7-years following termination of employment with the Cooperative) or in any way financially interested in a competing enterprise or a business engaged in selling communication services or communication supplies or maintaining communication facilities. However, the Board may grant exceptions for "de minimus" competing enterprise.
- (3) Is **NOT** closely related to an incumbent director or an employee or former employee of the Cooperative (as it relates to persons closely related to a former employee, this provision shall only be applicable for a period of 7-years following termination of the former employee's employment with the Cooperative). As used here, "closely related" means a person who is related to the principal person by consanguinity or affinity, to the second degree or less; that is, a person who is either a spouse, child, grandparent, parent, brother, sister, aunt, uncle, nephew or niece, by blood or in law, of the principal. However, no incumbent director shall lose eligibility to remain a director or to be reelected as a director if he becomes a close relative of another incumbent director or of a Cooperative employee because of a marriage to which he was not a party; neither shall an employee lose eligibility to continue in the employment of the Cooperative if he or she becomes a close relative of a director because of a marriage to which he or she was not a party.
- (4) Has not been convicted of a felony, or of any offense, however denominated, involving a breach of trust or the unlawful taking or retention of any property of another.

Section 4.4 Nominations

It shall be the duty of the Board to appoint, not less than forty (40) days nor more than ninety (90) days before the date of a meeting of the members at which Board members are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected from different geographic areas so as to ensure equitable representation. At least one (1) member of the committee shall be selected from each geographic area where a director is to be elected. No member of the Board, close relative of a Board member ~~or~~ employee or former employee may serve on such committee. The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the Cooperative at least twenty (20) days before the meeting, a list of nominations for Board members which shall include as many nominees for each Board position as the committee deems desirable. The secretary shall be responsible for mailing, with a Notice of the Meeting or separately, but at least ten (10) days before the date of the meeting, a statement of the number of Board members to be elected and the names and addresses of the candidates nominated by the committee on nominations. Any fifteen (15) or more members acting together may make other nominations by petition and the secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. Nominations made by petition, if any, received at least ten (10) days before the meeting shall be included on the official ballot. Such ballot shall arrange the names of the candidates by geographic areas and shall also designate the candidates nominated by the committee and those nominated by petition. ~~Later nominations by petition shall be treated as nominations from the floor. The chairman shall call for additional nominations from the floor and nominations shall not be closed until at the call has been made at least three (3) times. No member may nominate more than one candidate.~~

Section 4.5 Election of Directors

Contested elections of directors shall be by a form of printed ballot, mail ballot or by electronic ballot subject to applicable law, these Bylaws and any procedures adopted by the Board. The ballot shall list the names of the candidates nominated by the committee and by petition with such names arranged by districts.

~~Any member desiring to vote for a candidate nominated from the floor at the meeting shall write in the name of such candidate beneath the names of the candidates nominated by the committee on nominations and by petition of the particular district which such candidate would represent if elected.~~

Each member of the Cooperative present, in person, at the meeting shall be entitled to vote for one (1) candidate from each geographic area from which a director is to be elected or on any issue before the meeting. To the extent authorized by the Board and permitted by law, mail balloting and electronic voting shall also be permitted for the election or removal of directors or on any issue before the meeting, and any such ballots cast by mail or electronic means permitted by the Board shall count toward determining whether a quorum exists at the meeting. The candidate from each geographic area from which a director is to be elected receiving the majority of votes cast for that office at such meeting shall be declared elected as director. The new director will not be seated until the next regular monthly board meeting. Failure of an election for a given year shall allow the incumbent directors whose directorships would have been voted on to hold over only until the next member meeting at which a quorum is present.

Section 4.6 Removal of Board Member by Members and Resignations

Any member may bring charges, against a Board member relating to the duties and responsibilities of his/her position, ~~against a Board member~~ and, by filing with the secretary such charges in writing together with a petition signed by at least ten (10) percent of the members, or two hundred (200), whichever is the lesser, may request the removal of such Board member by reason thereof. Such Board member shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel to present evidence in respect to the charges; and the person or persons bringing the charges against him/her shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members. No director shall be removed from office unless by a vote of two-thirds (2/3) of the



members present. Any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

Article V MEETINGS OF THE BOARD

Section 5.3 Notice of Board Meetings

Written notice of the time, place (or telecommunications conference event) and purpose of any special meeting of the Board shall be delivered to each Board member either personally ~~or~~, by mail, or by electronic transmission, or at the direction of the secretary, or upon default in duty by the secretary, by the president or one of the Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the Board member at his/her address as it appears on the records of the Cooperative, with first-class postage thereon prepaid, at least five (5) days before the date set for the meeting. If sent by electronic transmission, such notice shall be deemed delivered when electronically sent to the Board member at the Board member's electronic mail address as it appears on the records of the Cooperative.

Article VI OFFICERS

Section 6.4 President

The president shall:

~~Be the principal executive officer of the corporation and unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board;~~

~~Sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and~~

~~In general, perform all duties incident to the Office of President and such other duties as may be prescribed by the Board from time to time~~ preside at all meetings of the members and the board and in general perform all duties incident to the office of president and such other duties as may be assigned by the board from time to time.

Section 6.6 Secretary

The secretary shall be responsible for:

~~Keeping the minutes of the meetings of the members and of the board in books prepared for that purpose;~~

~~Seeing that all notices are duly given in accordance with these Bylaws or as required by law;~~

~~The safekeeping of the corporate books and records and the Seal of the Cooperative and affixing the Seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;~~

~~Keeping a register of the names and post office addresses of all members;~~

~~Keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto and at the expense of the Cooperative, furnishing a copy of these Bylaws and of all amendments thereto to each member; and~~

~~In general, performing all duties incident to the Office of Secretary and such other duties as from time to time may be assigned to him/her by the Board~~ supervising the keeping of minutes of the meetings of the members and of the board and in general performing all duties incident to the office of secretary and such other duties as from time to time may be assigned by the board.

Section 6.7 Treasurer

The treasurer shall be responsible for:

~~Custody of all funds and securities of the Cooperative;~~

~~The receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; provided however, that the treasurer shall have authority, with the approval of the Board, to delegate to the general manager the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in this Section; and~~

~~The general performance of all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him/her by the Board; provided, however, with respect to the duties and responsibilities of the treasurer, the Cooperative shall indemnify and hold the treasurer harmless against any and all losses, claims and/or damages which may be asserted against the treasurer, in his/her official capacity, unless such claim is a result of an act personally committed or omitted by the treasurer resulting in loss to the Cooperative~~ the general performance of all the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the board.

Section 6.8 General Manager/CEO

The Board shall appoint a general manager/chief executive officer ("CEO"), who may be, but who shall not be required to be, a member of the Cooperative. The general manager/CEO shall perform such duties as the Board may from time to time require and shall have authority as the Board may from time to time vest in him/her.

